

LAUNCHING ALTERNATIVE REVENUE-GENERATING PROGRAMS:
A CASE-STUDY OF EASTBROOK COMMUNITY SCHOOL'S
ATHLETIC DEPARTMENT

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Chapter 1: Introduction

Public schools in America over the last few decades have created expansive programming aimed to heighten the overall education experience (Meier, 2004). From the classroom to extracurricular activities, a program exists for almost every student. This programmatic – and problematic – growth has placed budgetary pressures on the students, school administrators, and the federal, state and local government. The United States higher education system has used philanthropy as an alternative revenue stream to help face these challenges, and in the process, higher education has transformed dramatically (Frank, 2004). This trend in higher education is in large part because of the heightened philanthropic awareness in United States. Total United States charitable giving in 1967 was \$17.03 billion. By 1997, giving to not-for-profit organizations increased to \$144.6 billion and \$307 billion in 2008 (Nauffts, 2008).

While the budgetary challenges with the U.S. public school system is universally accepted, there are endless theories as to how financial resources should be allocated. Physical education, extracurricular, and athletic programs in particular seem to be experiencing heightened budgetary pressures. These activities have been the target of frozen or reduced budgets because of the state and federal tax cuts for public academic institutions (McFarland, 2002). The financial structures used in public school systems vary greatly around the country. In general terms, seven percent of a school's budget

comes from federal funding, and the remainder is generated through local, state, and sales taxes. The average amount of money provided per pupil varies greatly from state to state (Howell & Miller, 1997). An article in *Time* magazine said, “In an era of property-tax caps and budget cutbacks, no child is entitled to much; these days state and local funding for education is stretched just to cover the basics” (Smolowe, 1995, p. 62). With these increased budgetary pressures, athletic directors and school administrators are challenged to look for alternative sources of revenue to support these programs.

In spite of extracurricular budgets falling short of needed expenses, athletics in America continues to experience increased participation. The National Federation of State High School Association (NFHS, 2009) reported high school athletic participation for the 2008-09 school year set an all-time high of 7,536,753, which marked the twentieth consecutive year increasing participation (see Table 1). The survey revealed that in 2008-09, 55.2 percent of students enrolled in high schools participated in athletics, which was an increase from the 54.8 percent from the 2007-08 academic year.

Table 1.

THE NATIONAL FEDERATION OF STATE HIGH SCHOOL ASSOCIATION ATHLETIC PARTICIPATION SURVEY TOTALS								
Year	Boys Participation	Girls Participation	Total		Year	Boys Participation	Girls Participation	Total
1971-72	3,666,917	294,015	3,960,932		1991-92	3,429,853	1,940,801	5,370,654
1972-73	3,770,621	817,073	4,587,694		1992-93	3,416,389	1,997,489	5,413,878
1973-74	4,070,125	1,300,169	5,370,294		1993-94	3,472,967	2,130,315	5,603,282
1975-76	4,109,021	1,645,039	5,754,060		1994-95	3,536,359	2,240,461	5,776,820
1977-78	4,367,442	2,083,040	6,450,482		1995-96	3,634,052	2,367,936	6,001,988
1978-79	3,709,512	1,854,400	5,563,912		1996-97	3,706,225	2,474,043	6,180,268

1979-80	3,517,829	1,750,264	5,268,093	1997-98	3,763,120	2,570,333	6,333,453
1980-81	3,503,124	1,853,789	5,356,913	1998-99	3,832,352	2,652,726	6,485,078
1981-82	3,409,081	1,810,671	5,219,752	1999-00	3,861,749	2,675,874	6,537,623
1982-83	3,355,558	1,779,972	5,135,530	2000-01	3,921,069	2,784,154	6,705,223
1983-84	3,303,599	1,747,346	5,050,945	2001-02	3,960,517	2,806,998	6,767,515
1984-85	3,354,284	1,757,884	5,112,168	2002-03	3,988,738	2,856,358	6,845,096
Year	Boys Participation	Girls Participation	Total	Year	Boys Participation	Girls Participation	Total
1985-86	3,344,275	1,807,121	5,151,396	2003-04	4,038,253	2,865,299	6,903,552
1986-87	3,364,082	1,836,356	5,200,438	2004-05	4,110,319	2,908,390	7,018,709
1987-88	3,425,777	1,849,684	5,275,461	2005-06	4,206,549	2,953,355	7,159,904
1988-89	3,416,844	1,839,352	5,256,196	2006-07	4,321,103	3,021,807	7,342,910
1989-90	3,398,192	1,858,659	5,256,851	2007-08	4,372,115	3,057,266	7,429,381
1990-91	3,406,355	1,892,316	5,298,671	2008-09	4,422,662	3,114,091	7,536,753

NFHS(2009)

The increase in athletic participation in the United States, coupled with the budgetary pressures schools are facing, has caused administrators to search for unconventional methods of income. For example, the formal fundraising practices and strategies embraced by most collegiate athletic programs could be transferred to the public school structure to offset the budgetary differences. With the intensified financial crisis in education, around the country, and globally, new approaches must be implemented to ensure these programs are maintained (Bravo, 2004; Howard and Crompton 2004; Reeves, 2006; National Interscholastic, 2009).

Purpose of the Study

The budgetary pressures within high school athletics show no signs of reversing in the future. School administrators are searching for alternative revenue sources to support the athletic programs at their high schools. The following case study assessed the

financial structure of Eastbrook High School's athletic department, and then explored philanthropic trends within higher education. The end result is a tangible plan to counter the financial challenges.

Definition of Terms

Annual gifts - Gifts that are repetitive in nature and tend to be small in size. The majority of donors fall into this category (Donovan, 2008).

Development - The time spent strategizing, maintaining your organizational plan, and aligning your fundraising goals to meet the need of an institution.

Fundraising - The organized activity of soliciting money or pledges for a specific organization, institution or cause (Donovan, 2008).

Major gifts - A charitable gift, generally ten thousand dollars or more (Donovan, 2008).

Philanthropy - The effort or inclination to increase the well-being of humankind, as by charitable aid or donations (Donovan, 2008).

Prospect - An individual who has a connection with an organization or institution who may have a philanthropic capacity (Donovan, 2008).

Statement of purpose - A brief declaration that articulates the purpose of the project, the financial need, and the impact the project or program will have on the organization (Donovan, 2008).

Significance of the Study

The need to identify nontraditional revenue for high school athletics coupled with the impact of fundraising in the higher education system has created a ripe environment for the adoption of athletic fundraising at public high schools. These results indicate that Eastbrook High School Athletics is at a tipping point with regards to athletic funding, and that fundraising, event promotion, and a re-branding strategy can generate alternative revenue and serve as a solution to the budgetary pressures school administrators are facing. This paper identifies how fundraising practices can be adopted by high school athletic departments.

Chapter 2: Review of Literature

The discussion regarding budgetary challenges for high school athletics must begin with background information in order to accurately define the major challenges facing athletic departments. The following provides information on the current financial climate with in interscholastic athletics and how fundraising practices used within higher education and not-for-profit organizations can help alleviate some of these pressures.

Current Financial Environment of High School Athletics

School administrators spend a significant percentage of their time budgeting and allocating resources, and justifying their actions. The rising cost of public education in the United States coupled with enrollment growth has placed extreme financial pressures on school's budgets and administrators. The federal, state and local taxing structures evolve constantly, further adding to the challenges administrators face in developing relevant financial plans (Burrup, Brimley & Garfield, 1999). Bravo (2004) stated in his dissertation:

The incidence of demographic change, inflation and taxation has directly affected state funding of public education. Demographic changes have created more needs, inflation has decreased the actual dollar value and new tax legislation has established limits on tax burden. In turn, these forces have affected the funding for interscholastic athletics as well with scarcity of public monies arise, school administrators need to fund primarily the programs mandated by the State Board of Education. (p. 25)

Further complicating the financial climate of public education in Indiana was a \$300 million state budget cut announced by Governor Mitch Daniels on December 28, 2009. Starting January 2010, schools will not receive the 3.5 percent Indiana funding that was originally expected (Associated Press, 2009). According to Eastbrook's Superintendent, Eastbrook Community Schools will have to make approximately \$500,000 in budget cuts. Eastbrook's Administration has developed several proposals and continues to assess what the best financial model is for the district.

The Value of Athletics

Given the current financial climate in public schools, inevitably the amount of athletic funding schools allocate towards these programs are questioned. For years extracurricular activities have been highly valued as part of the overall educational system (Hoch, 1998). A recent study attempted to challenge the idea that athletics enhance the educational experience provided by public schools. This study looked at 1,924 Texas public schools and found that "Athletics can influence student performance on basic skill exams," yet found "a strong negative relationship exists between athletic budgets and student performance on SAT and ACT exams" (Eller, Marchbanks, Meier, Polinard, Robinson, & Wrinkle, 2004). These two findings contradict each other and do not support the divergent goals theory which states that if two opposing goals are pursued simultaneously, they will have a negative impact on each other. If Eller (2004) was able to show that athletics do not have a significant impact on student athletics, extracurricular activities as a whole could be in jeopardy in the public schools.

As it stands, there is still strong support of extracurricular programming and the impact it has on education. Rader (1999) noted, “high school sports helped to give an identity and common purpose to many neighborhoods, towns, and cities which were otherwise divided by class, race, ethnicity, or religion” (p. 111). This community support is one of the primary factors for the rise in athletic competitions and participation (Covell, 1998).

Funding Structure

The debate over athletic funding in public schools systems and how multiple competing institutional goals can hamper an organization’s ability to fulfill its primary mission of educating students, may never end. Gee (2005) suggested:

Integrating the athletic budget into a university’s (or high school’s) budget keeps the priorities of athletics in alignment with a university’s other strategic priorities. Athletics revenue cannot outrun academics in primacy when it is collected under the same rubric as academic and overseen by the same eyes that oversee academics and student life. In athletics, as in all things, the further one moves from the core and the heart, the more dispersed the original focus become. Pulling athletics into the university’s heart makes aligning athletics with a university’s greater mission is much easier (p.13)

Gee surmises, this same principle should be applied to the public school system.

The reality for most high school athletic directors is that athletic budgets no longer cover the cost of running the established programs. Passing the additional cost along to the student-athletes is an emerging trend used to counter budgetary constraints in high schools (Brown, 2005). However, it is a practice that has met great resistance (Smith, 2001). According to Pete Bryden, associate director for *ESPN The Magazine* Coaches Fundraising Program, “Fees now account for an average of 20% percent of

athletic budgets. The sad reality is that many athletic departments are not able to make ends meet and ‘pay-to-play’ has become a necessary evil” (Newell, 2005, p.5). Bryden goes on to explain, “A lot of schools have gone the route of allowing the fundraising part to go to a booster club vs. the sports team, the athletic director, or the individual coach. It just depends on how it is coordinated within the school” (Newell, 2005, p. 3). However, car washes and bake sales conducted by each team may no longer meet the financial needs of high school athletic departments. Instead, a comprehensive, integrated, philanthropic campaign can more effectively meet the needs of athletic administrators.

With the demand for additional revenue increasing, administrators are feeling the effects of these pressures. Each school system has its own philosophy on the role of athletics in education. These athletic philosophies are conceived by school board members, administrators, and local community. The budgetary pressures have the potential to influence the philosophy and organizational structure of athletic and educational programs. Educational institutions across the country are reviewing their athletic organizational structure to ensure it aligns with the broader institutional organizational philosophy. Athletic budgets and programs for years have been allowed to act independently from the school’s core function of education (Eller, Marchbanks, Meier, Polinard, Robinson, & Wrinkle 2004). Colleges and universities are beginning to reintegrate their athletic budgets into the broader school budgets (Donovan, 2008). This has allowed schools to better protect their core purpose of educating students, rather than competing for a higher market share or sponsorship dollars. This emerging trend in higher education has begun to trickle down to high schools as administrators have identified the impact this structure can have on the educational experience.

Philanthropic Trends in Higher Education

Over the last twenty years athletic fundraising has experienced tremendous growth. (Tsiotsou, 2006). Tsiotsou (2006) found that “Athletic fundraising presents the greatest percentage increase in universities the last few decades” (p. 210). Heightened athletic budgets are evidence of a stronger commitment to athletics within higher education. But with this growth and increase with charitable giving, comes a need for more complex strategies and gifts (Gladden & Mahoney, 2005). It is important to note that while some of the big-time universities may be raising staggering amounts of money, only two percent of a donor base gives a majority of the athletic funds. Of that two percent donor base, most of the donors are not alumni, but rather fans of the athletic program (Stinson, 2004). When comparing athletic fundraising to the broader philanthropic industry in the United States, athletic fundraising, even within higher education, is still rudimentary at most institutions.

Howard and Crompton (2004) found “the motives underlying donations are more altruistic than commercial”(p. 574). However, two recent studies have identified tax deductions, priority seating, professional contacts, membership plaques, decals and hospitality rooms, to be additional motivating factors in supporting athletics (Donovan, 2008, Tsiotsou, 2006). One of the most comprehensive athletic donor motivation studies in this field used prior research to assess why their donors give money and in the process help fundraisers better understand their constituency (Gladden & Mahoney, 2005).

The four primary motivations for athletic donors are philanthropic, social, program success, and personal benefits (Billing, Holt, and Smith 1985). Staurowsky

(1996) further explored this topic and found curiosity and power to be additional motivating factors for donor's giving. These two studies provided significant research for the industry in identifying what truly motivates athletic donors. But, these studies fell short in identifying the *importance* of these different motivating factors. Verner, Hecht & Fansler (1998) assessed these core motivating factors and developed a method of quantifying the importance of these factors. The following six donor motivations, if accurately identified and appropriately leveraged, will result in more gifts, more fulfilled donors, a constituency better primed for future gifts.

Access to inside information. Giving which gives donors access to information not given to non-donors (Verner, Hecht & Fansler, 1998). For example, a parent gives significant money to the athletic department in hopes of being asked onto the booster club, and in turn, gains access to inside information.

Affiliation. Giving because it allows someone to interact and socialize with others as means of belonging (Milne & McDonald, 1999). Some donors give to specific organizations if they will be associated with various causes or people groups.

Altruist. Doing what feels right. Prince and File (1994) discuss the idea that giving is a moral necessity, and is a responsibility duty or obligation. People's personal value systems drive where, when and what causes they give to. For some, this instills a sense of responsibility and causes them to become involved financially.

Helping student-athletes. Some donors, highly value interscholastic athletics and feel called to help support student- athletes through providing scholarships opportunities. This type of giving typically has student-athletes' education and well being at the center of their giving (Verner, Hecht & Fansler, 1998).

Public recognition. Giving which expects a public response from the organization or program who received the gift. Most donors state they do not need public recognition, but internally are flattered if recognition is given (Verner, Hecht & Fansler, 1998).

Support and improvement of athletic program. Unrestricted giving which helps advance the athletic program, including recruiting capital projects, equipment and specific coaches and programs needs (Gladden & Mahoney, 2005). These donors give to improve the athletic program as a whole, rather than what they want to do.

Understanding donor motivations and realizing that each person in a donor constituency has their own unique motivations that need to be factored into the relationship.

From assessment to teaching methods, higher education has served as the testing ground for many educational principles and practices that have then been implemented in the public school. The same parallel exists between higher education and public schools in regards to philanthropic practices because they are both being forced to wrestle with two philosophical questions: 1) How much should be invested in the pursuit of successful

athletic programs, and 2) how individual sports are prioritized and supported (Meier, 2004).

Smaller colleges and high schools operate under a much different structure, and therefore philanthropic practices must be altered to fit appropriately. In less commercialized settings, success is normally evaluated in terms of indirect value rather than television or ticket sales revenue. The indirect values of a successful program can be found in positive fundraising implications as well as admissions implications (Frank, 2004). A successful program has great impact on the attractiveness of a school and serves as the front porch.

Applicable Fundraising Concepts and Models

Due to the direct and indirect value of a successful athletic program, it is clear why most higher education institutions are pouring resources into these extracurricular activities. The challenge is these intuitions do not have unlimited resources. For this reason schools are partnering with alumni and friends to up underwrite the cost of the athletic programs.

Philanthropy is part science and part philosophy. The scientific part involves statistical analysis, examination of industry trends, and prospect research. The philosophical side includes the development of relationships, and understanding donors' motivations and other theories of human behavior. It is the application of these concepts and models that have legitimized athletic specific fundraising over the last few years (Donovan, 2008).

In the world of philanthropy, the terms development and fundraising are sometimes confused. Development is the time spent strategizing, maintaining an organizational plan, and aligning fundraising goals to meet the need of an institution. Fundraising, on the other hand, is cultivating, soliciting, and stewarding donors and prospects. Development and fundraising are not independent of each other but rather go hand in hand. Depending on the size of unit, employees will take on multiple responsibilities, often filling both development and fundraising responsibilities (Donovan, 2008). The following are fundamentals of any philanthropic endeavors, aimed to provide athletic administrators with the tools to maximize your fundraising results and in turn provide more funds for programming.

Statement of purpose. Just as a mission statement is foundational for any successful business, so is the *statement of purpose* for your fundraising program. A statement of purpose clearly articulates the need, the impact that a gift will have, and why a donor should be involved (Donovan, 2008 p.14). In practical terms, this means a fundraiser needs to ask for the right gift, for the right program, at the right time, in the right way

A statement of purpose serves as a catalyst for fundraising initiatives and should align with the school's strategic plan as well as overall mission (O'brien, 2005). The following stakeholders should be involved in the development of the case: administrators, athletic directors, booster club members, and coaches. Organizational buy-in is paramount if donors are to embrace the case. A failure to include key stakeholders with

the development of the statement of purpose will result in frustration from both donors and employees (Gee, 2005).

Establishing goals. Overall fundraising goals need to be well defined prior to the start of any project. The goal typically includes the dollar amount as well as a timeframe of when the funding should be completed. Without these defined benchmarks donors will not rally behind your cause (Gee, 2005). In addition to overall fundraising goals, individual goals should be established for each person who has fundraising responsibilities. Clear expectations need to be laid out for those responsible for funding and for how much they are responsible. This accountability will serve as a great motivator and ensure that the fundraising ball is not dropped amongst the other responsibilities (Aschbrook, 2008).

Prospects. In fundraising, information equals more money. Prospect research is the process of capturing information that help: 1) assess giving capacity, 2) assess affinity or inclination. This information can be acquired through electronic screenings, peer screenings, past giving, and level of involvement. The ideal prospect should have high giving capacity and a high affinity with an organization or institution (Tsiotsou, 2007). Two decades ago Jerold Panas discovered that approximately twenty percent of the donors give eighty percent of the funds. Since his original study he has proven that one percent of Harvard University donors give ninety percent of the funds (Panas, 2005). These donors have high capacity and affinity. The prospect research process should reveal who are the best prospects and on whom the fundraisers need to focus (Donovan, 2008).

Fundraising Philosophies. Asking for money is uncomfortable to most people. But for those who are in the industry and understand donor's motivations, it is much more than just asking for money, it's about relationships. Cultivating and maintaining relationships as well as creating a bond between a donor and an organization are key (Maehara, 2002). Donors give to people and vision, not to a need. The more a fundraiser can build genuine relationships with donors and between an organization, the more inclined donors will be to support your cause. According to Matheny and Stearman (1999), "People give to people, not to organizations, not to institutions, not to positions. People give to a vision rather than a financial need, you must have a clear purpose statement" (p. 12).

Core Programs

The demand for effective revenue development is growing rapidly and in turn there is a heightening the need for formalized fundraising strategies for interscholastic athletics. These strategies must be both effective in generating revenue and feasible to implement. Athletic directors and school administrators are limited by the amount of time they can allocate to fundraising, the following two strategies are suggested to maximize results while minimizing the time required to implement.

Strategy 1: Annual funds. Annual funds are the foundation of any successful fundraising program (Howard & Crompton, 2004). While these programs do not raise large sums of money, they are crucial for several reasons. First, annual funds generate needed gift income to help offset the operational costs. Secondly, the annual fund, more than any other development program, introduces people to giving and helps develop the

habit of philanthropy (Aschebrook, 2008). Although there are exceptions, a donor's first give to an institution is generally to the annual fund. Thirdly, the annual fund helps build a relationship between the donor and the organization which deepens donor commitment and involvement. Lastly, the annual fund prepares donors for a major gift. As Donovan states, "The best prospect for a big gift is one who has given before, there may be no better means for identifying potential major gift donors than careful analysis of past annual giving results" (Donovan, 1996, p. 24).

Strategy 2: Major Gifts. Knowing that most of the money is given by a few people, Mathney & Stearman (1999) suggested that not all donors are created equal and should not be treated as such. For this reason, engaging major gift solicitations is one of the interesting and challenging aspects of development work. Donovan (2008) says it generally takes ten to twelve personal visits over a twelve to eighteen month period before a donor is ready to make a major gift. Knowing that major gifts take a significant amount of time to develop, it is vital that the best prospects are identified.

The fundraising concepts and models discussed provided a basic working knowledge of philanthropy for an athletic director. While there is no shortage of other responsibilities an athletic director must oversee, fundraising *strategically* can help generate additional revenue with minimal time or resources.

Chapter 3: Situational Analysis of the Eastbrook High School's Athletic Department

A strategic assessment of Eastbrook Community School's Athletic Department was conducted that includes historical and financial information, a budgetary review of the athletic department, and a situational strength, weakness, opportunity, and threat (SWOT) analysis of the department from a financial perspective. The primary purpose of the SWOT analysis is to assess the budgetary structures and trends at Eastbrook Community Schools, identify the most common sources of revenue, and to uncover how these programs could benefit from heightened funds.

The Eastbrook Community School's employees or volunteers listed below were interviewed:

<i>Title</i>
Superintendent
Principal
Assistant Principal
Athletic Director
Booster Club President

This group was selected because of their direct involvement and oversight of the athletic program.

One hour interviews were conducted with each of the five Eastbrook Community School's employees or volunteers. The interviewees were asked

questions pertaining to budgeting, revenue sources, existing fundraising programming, funding needs within the athletic program, and challenges related to finances. The primary method of collecting the qualitative data was through structured interviews aimed at guiding the conversations through several topics of interest. The responses from each of the questions were grouped by topic and then a list of common themes and differences were generated for each topic.

History and Demographics of Eastbrook High School Athletics

A Midwest high school), located in a rural setting east of Marion, IN, consists of four elementary schools, and a junior high school and a high school. The high school enrollment for 08-09 was 625 students of which 96% were white. The corporation as a whole has experienced rather steady enrollment numbers over the last decade (see Table 2).

Table 2.

EASTBROOK COMMUNITY SCHOOLS ENROLLMENT FIGURES															
		GRADE LEVELS													2009-10
2008-09	SCHOOLS	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTALS
	2008-09	87	105	113	115	115	132	127	144	151	155	168	146	167	1681.5
	2007-08	100	116	106	113	134	124	149	146	158	160	158	166	141	1771
	2006-07	112	102	107	123	116	131	142	162	156	158	183	154	140	1786
	2005-06	100	104	121	113	123	139	154	150	150	183	154	153	120	1764
	2004-05	102	110	112	123	138	154	140	148	176	157	150	137	138	1785
	2003-04	100	109	120	127	151	139	142	178	154	143	134	141	137	1775
	2002-03	95	119	131	147	137	144	162	154	144	138	138	128	101	1738
	2001-02	109	132	144	128	135	157	154	143	140	139	138	118	102	1739
	2000-01	110	150	119	131	161	154	137	138	133	141	127	121	115	1737

	1999-00	131	128	133	157	153	142	130	136	136	136	132	125	126	1765
	1998-99	112	135	148	141	141	124	122	133	127	131	135	133	117	1699

Eastbrook Community Schools is a member of the Central Indiana Conference which is comprised of eight Indiana High School Athletic Association (IHSAA). The school has twelve high school varsity sports. As is the case with most rural high schools, there is strong support of the athletic program within the local community. The program has a rich history of athletic success from a wins and losses stand point as well as from a character building standpoint. Fifty percent of the student body is involved in at least one sport, compared to the national average of fifty five percent.

Financial Analysis of Eastbrook's Athletics

It has been shown that high school athletic budgets are undergoing tremendous budgetary pressures within the United States. Eastbrook's Athletic Department is not exempt. While the program has historically possessed a modest budget, recent pressures have caused the school to make difficult decisions regarding how to allocate funds. The financial climate has forced the school to shift a portion of the financial burden to the students and their parents in order to cover travel expenses. Students are charged \$3 for each away contest to help cover the cost of transportation, a decision that is expected to generate \$12,000 to offset the transportation shortage.

The health and stability of a school's budget is assessed from various perspectives. The most basic way is to compare revenues and expenses. Eastbrook has diligently only spent the revenue it has generated, and this is not the case with other Central Indiana Conference (CIC) schools. Another benchmark used is to compare other CIC school's revenue streams and expenses. Table 3 compares the revenue and expenses of a similar school in the CIC which is located in the same county and has a fairly equal performance record. During the 08-09 academic year, Eastbrook's athletic expenses were 54 percent (or \$132,136) less than its rival. That is the equivalent of \$11,000 more per sport per year.

Table 3.

2008-2009	EASTBROOK HS	COMPARABLE CIC SCHOOL
Revenue	\$152,980.00	\$259,911.00
Expenses	\$156,251.00	\$288,387.00

S.W.O.T. Analysis

The SWOT analysis below evaluates strengths and weaknesses (based on internal factors) and opportunities and threats (based on external factors) of Eastbrook athletics based on interviews conducted with Eastbrook Community School's leadership. The SWOT analysis provides a foundation on which future short-term and long-term financial plans can be made.

Internal Analysis

Strengths.

1) Culture of athletic success. As an overarching statement, there exists a strong commitment to athletic success which has been integrated into the

athletic culture at Eastbrook. While not every program has been abundantly successful in recent years, there is a strong pursuit of maintaining or establishing stellar athletic programs from the student, athletes, coaches, teachers and parents.

2) *Strong community support.* The local close-knit community has a strong affinity with Eastbrook Athletics and is one of the most potent assets of Eastbrook Athletics. A majority of the local community has either attended Eastbrook Community Schools or has children who are currently attending Eastbrook. This community support is not something that has been intentionally cultivated, but rather is woven into the fabric of the local community.

3) *A tradition of student athlete involvement.* Approximately 50% of students participate in at least one sport and of those students 16 are multi-sport athletes. The culture of athletic success, as discussed above, has created an environment in which student athletes who many otherwise not participate are deeply involved. Eastbrook is one of the smaller (3A) classification schools, and as such, a high participation rate is foundational to establishing a well-rounded successful athletic program.

4) *Revenue generating football program.* Eastbrook Community Schools is known for its football program more than any other program in the school district. That program has produced nine Sectional Championships, three Regional Championships, nine Conference Championships, eight

Grant-4 Championships, and sixteen straight rankings in the Top 10 over the past fifteen years, Eastbrook's football program has the 6th highest winning percentage in any division in the state (see Table 4).

Table 4.

TOP INDIANA FOOTBALL PROGRAMS: LAST FIFTEEN SEASON 1996-2009			
	Won	Lost	Pct.
Heritage Hills	174	21	0.892
Penn	180	26	0.874
Jimtown	172	26	0.869
FW Snider	166	26	0.865
Brownstown	153	29	0.841
Eastbrook	148	33	0.818
Seeger	141	34	0.806
Jasper	146	36	0.802
Homestead	137	34	0.801
Delta	144	36	0.8
Ben Davis	159	40	0.799
Indpls. Chatard	163	43	0.791
Pioneer	137	40	0.774
Linton	135	40	0.771
Ev. Reitz	136	42	0.764
Indpls. Roncalli	144	45	0.762
Hamilton SE	134	42	0.761
Indpls. Cathedral	146	46	0.76
Perry Central	137	44	0.757
Zionsville	137	45	0.753
Warren Central	141	49	0.742
NorthWood	144	51	0.738
Griffith	140	50	0.737

Carmel	144	52	0.735
Blgtn. South	129	47	0.733
Cass	128	47	0.731
East Central	129	48	0.729
Andrean	138	52	0.726
Speedway	132	50	0.725
Ev. Mater Dei	134	51	0.724
FW Dwenger	136	52	0.723
Danville	128	49	0.723
Avon	125	48	0.723
Heritage	117	47	0.713
Lowell	132	54	0.71
Center Grove	127	52	0.709
Plymouth	124	54	0.697
Rochester	114	51	0.691
Shenandoah	115	52	0.689
Merrillville	120	55	0.686
North Judson	120	55	0.686
Mooreville	111	52	0.681
Lafayette CC	113	53	0.681
FW Luers	133	63	0.679
Adams Central	125	61	0.672
Tri-West	116	59	0.663
Vincennes	112	57	0.663
Castle	110	57	0.659
Hamilton Hts.	113	60	0.653
SB St. Joseph's	113	60	0.653

(<http://indianahsfootball.homestead.com>, 2010)

Eastbrook's Football Titles Since 1993:

Sectional Titles:	1993, 94, 97, 99, 01, 02, 03, 04, 05, 09
Regional Titles:	1999, 01, 04
Semi State Titles:	1999, 01, 04
Grant-4 Titles:	1997, 98, 99, 01, 02, 04, 05, 07, 09
Conference Titles:	1993, 95, 98, 99, 01, 02, 04, 05, 07, 09
Top 10 Rankings:	1993 – 2009

SPORT	2008-09 RECORD
Volleyball	23-11
Women's Cross Country	48 -52
Women's Basketball	10-11
Women's Track	30-1
Softball	7-11
Football	8-3
Men's Cross Country	68-31
Men's Basketball	3-18
Wrestling	11-5
Baseball	12-12
Golf	12-4
Men's Track	10-3
Total Record	242-162

The success of the football program and the community support that it has received over the years has helped advance the broader athletic programs. Simply stated, Eastbrook Community Schools and Eastbrook Athletics are stronger because of the robust football program that is in place.

5) Effective weightlifting program. Eastbrook's recently rejuvenated weightlifting program, under new leadership, is a key component of maintaining consistent dominance with in the conference. This program is foundational for a coaching staff

who, year in and year out, have to elevate an average student body into highly performing teams.

7) *Strong sport specific philosophy and values.* At Eastbrook High School, the strong and committed coaching staff aspires to provide student athletes with a whole-person education that incorporates academics and athletics in order to prepare students with life skills. For each coach this is implemented in a different manner. But at the root of it all, there exist true care and concern for each of the athletes.

Weaknesses.

1) *Internal control and monitoring of athletic finances.* The world of interscholastic sports is a quickly evolving industry, especially with regard to the fiscal challenges schools are now facing. There now exists a significant need for additional fiscal control and monitoring of revenue for athletic departments. Each individual interviewed communicated a need for additional funding for the athletic program and expressed a desire for more clarity in the athletic budget.

With that said, there exists a clear understanding that Eastbrook's overall budget is already undergoing a lot of pressure, and alternative revenue is the only logical solution for Eastbrook Athletics. An additional theme that emerged from the interviews was a need for better internal monitoring and communication of the athletic budget, more importantly revenue streams *throughout* the fiscal year. Updated revenue tracking

tools should be implemented which will allow for real time financial information both for internal planning and reporting to the various constituencies (See Appendix A).

2) *School-wide athletic philosophy & values:* While there are strong sport-specific philosophies and values at Eastbrook, there seems to be a strong desire for a well defined mission and vision for the entire athletic program. While the coaches have diligently crafted their own philosophies and values for their respective programs, those who were interviewed had different perspectives on what the purpose of the Eastbrook Athletic department should be. The administration, coaches, student athletes, teachers, and parents should all be able to clearly and consistently articulate the purpose of Eastbrook athletics.

3) *Underfunded athletic program.* In reviewing the fiscal assessment data of the athletic department, it is clear that Eastbrook's athletic budget is extremely lean. Eastbrook only spent 1.08% of the overall district's budget compared to 2% national average (Brovo, 2004). There are many areas of improvement that could be implemented, but each of them requires additional funding. One of the more visible issues in recent history is the decision to charge students \$3 for away contest to help cover the cost of transportation. As one administrator put it, "There were no other options for us if we were going to stay within the budget for this fiscal year." While teams have remained rather competitive in recent years, those

interviewed agreed that the program is at a tipping point in terms of funding.

4) *Lack of a booster club leadership and vision.* Despite the strong support of Eastbrook athletics within the local community, the booster club is one of the most underachieving entities within the athletic department, due to the lack of school leadership, vision, support and control of this group. In its current form, the booster club is comprised of one volunteer who is responsible for budgeting, coordinating fundraising initiatives, and determining how the funds should be used. This group should be an equipped collection of volunteers with a specific set of goals, of which fundraising should be of the utmost importance. The lack of an alumni and parent support group is the single most noteworthy weaknesses of Eastbrook's Athletic program.

5) *No strong and consistent brand.* A well-defined Eastbrook Athletic brand needs to be established by regaining institutional control of branded apparel, web content, uniforms, logos, color schemes, etc. Each sport, along with the booster club, needs an established set of guidelines to ensure a consistency throughout all of the Eastbrook Athletic branding initiatives. Currently, different sports use different panther logos and color schemes. As the school continues to advance the athletic program, a strong and consistent brand is imperative.

6) *Inadequate website coverage.* A partnership currently exists with *Digital Sports*, an online company that serves as Eastbrook's content manager for all the sports excluding football. While this could be a viable solution for the athletic department, it still requires oversight and time for updating data, records, pictures, and schedules. It is generally agreed among those interviewed, that *Digital Sports* is not fulfilling Eastbrook's need for a unified and branded athletic web presence. Rather, a further assessment needs to be conducted to identify what a right-sized, real-time online solution for the program should look like. The football and golf website is being donated by *iworksite* which has done a tremendous job of providing real-time information for the Eastbrook football constituency.

7) *No systematic event promotion plan.* Ticket sales generate the most revenue for the athletic department. An event promotion plan needs to be developed that attracts new audiences and boosts attendance at the various events. This is especially needed for those sports that are currently not drawing large crowds and have the capacity to do so. Each event should have a promotional add-on, such as a youth football game at halftime to help draw larger audiences outside of the typical constituency.

8) *Inadequate systems and processes.* Many of the daily functions including budgeting, communication methods, and event management need to be streamlined and updated. The current systems are rudimentary and do not take advantage of modern efficiencies. By improving the

efficiency of daily tasks and updated computer practices, more time can be allocated to assessing and advancing the athletic program.

External Analysis

Opportunities.

1) U.S. philanthropic culture. In 2008, over \$307 billion was given through philanthropic endeavors to support not-for-profit organizations like schools, churches, according to *USA Giving 2008 (Bond,2008)*. As of late, education is the second most popular industry for philanthropic giving, second only to religious organizations. A recent surge in intercollegiate fundraising has university and colleges scrambling to keep up (Tsiotsou, 2006). As is the case with many higher education practices, the formalized athletic fundraising trend is starting to trickle down to the interscholastic level. Eastbrook has an opportunity to take advantage of an untapped source of revenue, and in the process advance the athletic program.

2) Executing formal revenue assessments. Most athletic directors come from a coaching background and have not had formal training concerning athletic administration or business administration. By performing continuous assessment of both the program and its financial health, athletic directors can more quickly identify and adjust to external climate changes.

3) *Merchandising.* Currently there is not a well establishing merchandising program that builds Eastbrook Athletic brand while generating additional revenue. Throughout the interviews, there were inconsistencies with who oversees the athletic apparel. This needs to be brought under the control of the athletic department and then distributed in conjunction with the boosters and concessions program. This could be done by implementing a licensing program, or could be implemented by student business class. Apparel is a tremendous branding and revenue-generating asset if implemented effectively.

4) *Volunteer Expansion.* There is a strong, fluid and somewhat viral base of volunteers at Eastbrook. These groups tend to be comprised of parents, who support their children's teams. A coordinated group of motivated volunteers could provide services that would otherwise not be possible without the additional financial support. The booster club should assist the athletic director and coaches in an effort to mobilize a dynamic group of volunteers.

5) *Rural setting.* There exists a captive audience within the local community. The rural setting at Eastbrook provides limited extracurricular activity and entertainment options for the adolescent and adult populations. This environmental reality may allow Eastbrook to further engage and involve those who may otherwise not participate.

Threats.

1) Athletic revenue streams gaining attention. Over the last few years, there has been an emerging discussion about athletic revenue streams within interscholastic athletics. While most high schools have yet to develop an aggressive approach to increasing athletic revenue, the trend is beginning to emerge within interscholastic athletics. Over the next few years, philanthropy, sponsorship, and event promotion will become the primary objective of high school athletic directors.

2) Poor socioeconomic setting. Eastbrook Community School's student base is comprised of lower-middle class families. While there is a highly educated subset within the community due to three local universities, these positions only provide modest incomes. From a philanthropic standpoint, this will impede a capital campaign or major gifts initiative that may otherwise be implemented. For this reason, a thorough feasibility study should be conducted prior to launching any major fundraising push.

3) Economic climate can affect the program's revenue streams. The recent downturn in the economy has certainly changed the way many schools, businesses and other organizations are doing business. The philanthropic industry as a whole has seen a significant downturn in the both the size and number of gifts received, as have almost every other industry in the country. In difficult economic times, there is an opportunity to create more incentives for people to be involved.

4) Dependence on external funds. As revenue generating programs are developed, schools like Eastbrook must understand the complexities of their programs and know that there are many external factors that may affect (positively or negatively) the bottom-line. Administrators and athletic directors should cautiously budget, knowing additional revenue can always be worked into the budget in subsequent fiscal years. The danger with external funds is programs become dependent upon this less stable source of revenue. Internal funding on the other hand tends to be a more reliable source of funding.

Chapter 4: Planning for Future Revenue

Operating an athletic program at a public school like Eastbrook High School is an expensive endeavor. It requires significant funds to cover coaching, equipment, transportation, officiating, and event expenses. Eastbrook's athletic department has had to rely on ticket sales, minuscule amounts of institutional aid, and the small amount of funds the booster club is able to generate. History has shown that the current model at Eastbrook is not a long-term sustainable model for the athletic program.

There has been a dramatic shift in the philosophical approach of interscholastic sports over the last decade in regards to pay-to-play issues (Brown, 2005). This past year Eastbrook accepted the pay-to-play model, which goes against one of Eastbrook's purposes of engaging as many students as possible in athletic activities. Eastbrook Community Schools need to take a step back and assess what the athletic department needs to do in order to reinstate a model of accessibility to all.

Based on these findings, the following proposal suggests new opportunities to advance the Eastbrook Athletic cause. Buy-in from key personnel, administrators and coaches is imperative if change is to be seen. The three revenue-generating programs below will help cast a new direction and generate new revenue for this esteemed program.

The first initiative is to develop a new philanthropic culture to engage financial partners, including parents, alumni, and community members. The previously discussed philanthropic trends within higher education may offer alternative revenue to the struggling public school system. Fundraising principles such as annual funds, major gifts programs, and advisory boards have provided colleges and universities with nontraditional revenue not only to maintain their programs, but also to enhance their programs. Secondly, implementing an aggressive event promotion plan will deliver a stronger family entertainment value, thus driving attendance and increasing ticket sales resulting in increased revenue. The final initiative is to launch a re-branded program that engages students and parents in the athletic program.

The following plan challenges Eastbrook's Athletic Department to launch one of the revenue-generating programs listed above each year for the next three years. Each of the programs developed identifies the most advantageous groups, in order to maximize revenue and minimize staffing recourses (See Appendix B).

The first year of this plan includes the implementation of a fundraising initiative. This program aims to develop a philanthropic culture that invites those who are most engaged to be further financially invested. The second year, a heavy event promotion framework will be adopted to deliver a stronger family entertainment value to those who attend the events. The third year the athletic department will enter into an intensive re-branding initiative that focuses on apparel and relevant e-communication methods, which are student-driven and student-implemented to reduce overhead. Collectively, these three programs will help provide a much-needed marketing "shot-in-the-arm." Specific

attention is given to the philanthropic initiative, as it will be the first initiative implemented.

First Revenue-Generating Program – Philanthropy

There are two basic principles, generally accepted by fundraising community, that need to be embraced in order to effectively raise money. The first principle requires that a strong *relationship* exist between the donor and the organization. This relationship is pivotal to the success of any fundraising initiative. The second principle, people don't give unless they are asked, refers to the idea that many people that are willing to get involved but are never asked. With these two principles in mind, a strategic philanthropic approach can generate much needed resources and offset much of the financial burden that has been placed on the student athletes, specifically from lower-income families. Three key philanthropic strategies include the Panther Annual Fund, and Advisory Board, and a major gifts campaign.

Panther Annual Fund.

Annual funds are broad, grassroots efforts intended to generate financial participation. The funds raised through this type of fundraising are generally not that significant, but are important in developing a deep donor base and promoting a fundraising arm of an athletic program. It also develops repetitive giving patterns within the donor base. Once a healthy donor base of Eastbrook parents and alumni is developed they could be cultivated into major gift donors or at the least, increase their giving.

An Advisory Board.

This group of partners with financial capacity are engaged to help drive the fundraising initiatives. As described in the SWOT analysis, this is an under-leveraged group and needs to be further developed. The athletic director will need to cast the vision for the board and provide direct oversight.

The goals of this board, which was created in the mid 90's, is to deeply engage parents, alumni and friends with the vision, and to further develop involvement and financial support. While the core purposes established years ago remain the same, it will take an intentional effort by the athletic director and administration to effectively mobilize this group. This effort will not occur overnight, but rather through intentional dialog with key stakeholders within the district and local community. The end goal is to have the Booster Club be comprised of high capacity or centers of influence who are motivated to help foster the financial structure of Eastbrook's Athletic Department.

As this board is being redeveloped, it is important that the boosters know there is an expectation to personally give to the program. There is no need to be apologetic for asking these people to partner financially. In order to advance, Eastbrook Athletics, the athletic department needs people who are excited about the program and are willing to invest in the students' lives. An effective and robust booster club will have a transformative impact on the athletic department.

Major Gifts.

An important statistic in fundraising is that small percent of people give a majority of the money. Roughly one percent of the donors give ninety percent of the

money (Panas, 2005). With that statistic in mind, the athletic director needs to identify the 5-10 partners who are going to make transformative gifts to the program each year. A major gift to the Eastbrook program would be a contribution of \$2,500 or more. In working with the major donor prospect, it is important to align with the donor's passions (i.e. football, volleyball, basketball).

Fundraising is a fairly simple process: engage, involve, invite. Eastbrook already has a strong constituency that is engaged in the athletic program. Many of them are not only engaged, but involved in coaching youth leagues, volunteering at events, or have children who are involved. What has been missing is the invitation to partner financially. If Eastbrook Athletic Department is not communicating what the needs of the organization are, their constituency will not know the need or how they can help.

The philanthropic approach discussed above provides a way forward and relieves the financial burden not only for the student athletes, but to the school's budget as well. Listed below are five cost-effective revenue generating philanthropic approaches that will help Eastbrook launch its fundraising push. The total investment needed to launch the program is only \$2,500, to start a flow of new revenue. These funds would be used in the following ways.

- 1) *Panther Annual Fund E-mailing* – 1500 e-mails will be sent to the constituency (parents, alumni and friends). The cost incurred is simply reallocated staff time for project layout and execution of this project.

2) *Include advertisements in event programs* - Eastbrook already produces programs for each event. Program space that has not been sold to sponsors needs to be used to promote the Panther Fund.

3) *\$500 for transferable signage* – Polished banners promoting the Panther Annual Fund. The Panther Annual Fund needs to be marketed at every event, to help people identify with this new initiative.

4) *\$1,000 for major donor engagement* – The athletic director will be using these funds to engage and steward the Booster Club and other major gift prospects. Appropriately thanking major donors for their transformative gifts is crucial in generating repetitive giving patterns.

5) *\$1,000 for 250 high-quality printed pitch pieces* – Once the school administration has agreed upon the vision and way forward, they need to communicate with high capacity donors who would be willing to advance the cause. Having high quality pitch pieces to help communicate the story will motivate and inspire deeper involvement.

Second Revenue-Generating Program – Event Promotion

Eastbrook Athletics has been fortunate in recent years to have a very successful and robust football program that has generated significant revenue for the athletic department. With that said, Eastbrook should not rely upon the success of a single program to help fund the broader athletic program. An aggressive event promotion plan could deliver a stronger family entertainment value, thus drive attendance and increase ticket sales.

Targeted sports such as men's and women's basketball, volleyball and baseball have the potential to attract substantial crowds. Each of these events *must* have a promotional component aimed at attracting a more robust crowd. Two purposes for athletic event promotions are: 1) To increase tickets sold, and 2) To improve the environment, especially for teams that are underperforming. The athletic department has to provide multiple reasons for people to attend the event. While a winning team is exciting to watch, it often is not enough. Hype, excitement and energy that crosses all generational gaps needs to be created to increase ticket sales. By keeping a bottom-line perspective, the time spent developing event promotions will directly translate to more tickets sales, and thus, more revenue.

Three examples of simple and effective high school event promotions are:

Example 1: Invite the pep band to play at the games. It enhances the environment and will draw an additional 30-50 parents who would each pay \$5 to come to the game to listen to their son or daughter play. A simple addition to the game schedule may result in an extra \$150-\$250 in a single night by simply involving a separate group to participate.

Example 2: Invite the youth leagues to play at halftime of the games. This, again, brings out a parent population that would otherwise not come. It also provides future players with a memorable opportunity to play where the "big boys and girls" play.

Example 3: Student or spectator contests during timeouts, halftimes and other breaks are a simple and great way to fill dead time and give people something to talk about at work the next day.

Lastly, an event promotion initiative will not be successful unless there is a sufficient communication plan in place to market the promotion. Weekly athletic events should be sent via emails, traditional media outlets and social networks to help advance the promotions and encourage attendance.

Third Revenue-Generating Program – Branding

The Eastbrook Athletic brand has been undermanaged and underutilized as a revenue generating tool. In reviewing the Eastbrook Athletic Brand, it is clear that Eastbrook has a great product in the athletic department, and if rebranded and packaged appropriately, could have tremendous revenue potential.

The first step in redefining the Eastbrook Athletic Brand is to develop a set of graphic standards of what must be used for all apparel, uniforms, promotional pieces and web/print content. It will take an intentional effort to protect and enforce the graphic standard as there currently is no standard. In order to establish an easily identifiable brand, there needs to be consistency across the board with all the sports.

Once a unified look and feel to the Eastbrook Athletic Brand has been embraced and established, it can be leveraged and packaged much more effectively. For instance, the selection and sales of the Eastbrook Athletic apparel already has tremendous revenue generating potential, and a strong consistent brand will only enhance this revenue source.

During the assessment of the Eastbrook Athletic Brand, inconsistencies arose in regard to who is responsible for oversight and control of the athletic apparel. Several school administrators thought the booster club was responsible for apparel design and sales, while the sole member of the booster could not feasibly carry that responsibility. During the interviews not one person claimed responsibility for the oversight of the athletic apparel.

The Eastbrook Athletic Brand needs to be repackaged, managed, controlled and leveraged. If this can be done, the athletic department will be able to tap into previously untapped sources.

Chapter 5: Implementation and Evaluation

The above discussion provided fiscal information regarding interscholastic athletics from local and national perspectives and a current assessment of Eastbrook Community School's athletic department. As is the case with any organization, Eastbrook's athletic department has strengths and weaknesses. It is clear Eastbrook's athletic department has many assets and environmental factors which have created a strong history of success. With that said, there are many changes that need to occur in order to advance and modernize Eastbrook's athletic program. It is important to note that even the most successful organizations must pursue continual quality assessment in order to prevent a stagnant environment and backsliding.

As Eastbrook's administration begins to address the challenges that confront the athletic department, they are responsible for shaping the program's future. This includes reshaping the financial culture of the staff, student athletes, parents, and the local community. Below is a implementation plan and an evaluation process that, if implemented, could ensure, both in the short-term and long-term financial sustainability of an athletic program.

Implementation

Successful restructuring of the program's internal and external financial culture will not happen overnight or without challenges. It will take much patience, time, effort, recourses, and a collective effort from the administration in order to achieve these changes. But more importantly there must be a champion who understands, believes, and will fight for a new vision and direction. The champion should be the person responsible for oversight of the program, such as an athletic director. Knowing the athletic director at Eastbrook will soon be retiring, the replacement identified must be able to juggle the complexities of maintaining core components of the current athletic department, while implementing strategic change.

The new athletic director will have the difficult task of managing expectations of the stakeholders (both internal and external) while identifying the best way forward. The first year should be used to understand the dynamics and perspectives within the administration, school board, coaching staff, booster club, and student athletes before introducing new ideas and initiatives. During the first year the new athletic director should test out ideas with the primary stakeholders as a means of refining potential programs. This exploratory process will help the new athletic director identify where resistance might be met and which ideas will be best received.

As previously stated, it is suggested that one strategic program should be implemented per year for the next three years. Each of the programs developed identifies low hanging fruit from a revenue prospect, but needs to be introduced in

phases rather than in one audacious push. The third year of this plan includes the implementation of a fundraising initiative. This program will be launched first as it requires little start up cost and more importantly will generate revenue which will help jump-start the other two initiatives. During the second year, a heavy event promotion framework will be adopted to deliver a stronger family entertainment value to those who attend the events. The fourth year the athletic department will enter into an intensive rebranding initiative.

The first year for the new athletic director will set the tone for how the various stakeholders will embrace the new strategies. With any new program, timing and the message will be critical to the success of the new programs. Appendix B provides a *One-year Critical Task Timeline for New Initiatives* that identifies the tasks, audience, as well as when it should occur to help ensure tactical approach has been development and executed.

Evaluation

Given the great effort, attention, and resources used in implementing the three revenue-generating initiatives, an evaluation method should be adopted to help measure the success of the objectives. If such resources are to continue to be allocated in future years, there must be data to help justify the continuation of the programs.

There are many ways to assess the success of each of the revenue-generating programs, including attendance numbers, revenue generation from apparel, funds donated, donor retention and acquisition, and many others. All of these methods and

others should be used in the evaluation process, but a bottom-line dollars raised assessment must be the primary method used. The main objective in launching these programs is to increase revenue over previous years. If that objective is not accomplished then the programs have failed in meeting their objective. With that in mind, the fundamental method of evaluating revenue streams is to have accurate and timely financial data to use in the assessment process (see Table 4). The current methods of data collection and accounting must be updated to help facilitate this evaluation process.

In addition to continual tracking of revenue streams, short-term and long-term targets need to be developed for the various programs that are both feasible and meet the financial needs of the athletic department. By establishing these departmental goals, the staff will be accountable for meet their short-term and long-term financial needs (see Table 5).

Table 5.

	2008-2009	1-YEAR GOAL	5- YEAR GOAL
Panther Annual Fund	\$1,008	\$4,000	\$15,000
Booster Club Giving	0	\$2,000	\$10,000
Admission	\$62,167	\$75,000	\$100,000
General Athletic Apparel Sales	0	\$5,000	\$30,000
Concessions	\$31,054	\$35,000	\$50,000
Total	\$94,229	\$121,000	\$205,000

Conclusion

Student athletes experience defining moments through their athletic careers. They, along with their teammates, have to choose how to respond when their backs are

up against the wall. Eastbrook Athletics is at a tipping point from a financial perspective, and adjustments must be made. By engaging, involving and inviting the Eastbrook athletic constituency, it will emerge with a stronger athletic program, community relationships, and students who are better prepared as future leaders.

This in-depth assessment of Eastbrook High School Athletics as well as the micro strategies will help generate new revenue through a strategic philanthropic program, rebranding and event promotion program all aimed to maximize revenue and minimize the use of resources. A healthier and transformative financial model is within close reach.

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Appendix A: Revenue Tracking Tool

Eastbrook High School Athletic Finances

	7/1/02-6/30/03	7/1/03-6/30/04	7/1/04-6/30/05	7/1/05-6/30/06	7/1/06-6/30/07	7/1/07-6/30/08		
Category	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Total	Avg. Per Yr
Admissions/Passes/Tickets								
9th FB	\$ 918.00	\$ 872.00	\$ 370.00	\$ 1,778.00	\$ 1,417.00	\$ 783.00	\$ 6,138.00	\$ 1,023.00
JV FB	\$ 270.00	\$ 156.00	\$ 662.00				\$ 1,088.00	\$ 181.33
Vars FB	\$ 16,324.00	\$ 7,206.00	\$ 14,876.00	\$ 11,760.00	\$ 23,055.00		\$ 73,221.00	\$ 12,203.50
9th BBB	\$ 1,186.00	\$ 2,652.00	\$ 1,032.00	\$ 770.00	\$ 1,086.00		\$ 6,726.00	\$ 1,121.00
JV/Vars BBB	\$ 14,460.00	\$ 26,979.00	\$ 11,716.00	\$ 12,700.00	\$ 26,284.00	\$ 16,735.00	\$ 108,874.00	\$ 18,145.67
9/JV/Var GBB	\$ 4,598.00	\$ 6,241.77	\$ 3,936.00	\$ 7,413.00	\$ 7,867.00	\$ 27,653.00	\$ 57,708.77	\$ 9,618.13
JV/Vars VB	\$ 3,414.00	\$ 3,284.00	\$ 2,747.00	\$ 3,534.00	\$ 2,324.00	\$ 2,831.00	\$ 18,134.00	\$ 3,022.33
Boys Track	\$ 160.00	\$ 2,470.00	\$ 367.50	\$ 543.50	\$ 900.00	\$ 1,814.00	\$ 6,255.00	\$ 1,042.50
Girls Track	\$ 92.00	\$ 900.00	\$ 239.50	\$ 543.50	\$ 900.00	\$ 1,937.00	\$ 4,612.00	\$ 768.67
Wrestling	\$ 1,364.00	\$ 470.00	\$ 1,294.00	\$ 446.00	\$ 3,785.00	\$ 5,079.00	\$ 12,438.00	\$ 2,073.00
Baseball	\$ 1,851.00	\$ 3,230.00	\$ 2,262.00	\$ 2,368.00	\$ 1,827.00	\$ 3,863.00	\$ 15,401.00	\$ 2,566.83
Softball	\$ 1,848.00	\$ 899.00	\$ 1,209.00	\$ 1,036.00	\$ 1,272.00	\$ 1,093.00	\$ 7,357.00	\$ 1,226.17
All Sports Pass/Fall T	\$ 28,459.00	\$ 15,159.25	\$ 23,158.00	\$ 23,457.00	\$ 10,663.00	\$ 28,987.00	\$ 129,883.25	\$ 21,647.21
Special Events	\$ 29,285.20	\$ 26,470.69	\$ 18,605.33	\$ 29,138.00	\$ 13,466.00	\$ 60,945.00	\$ 177,910.22	\$ 29,651.70
Fundraisers								
VB	\$ 3,233.00	\$ 1,684.00		\$ 414.00	\$ 152.00	\$ 2,680.00	\$ 8,163.00	\$ 1,360.50
BBB			\$ 4,715.00	\$ 4,702.00	\$ 6,789.00	\$ 4,116.00	\$ 20,322.00	\$ 3,387.00
GBB			\$ 2,850.00	\$ 3,373.00	\$ 2,642.00	\$ 3,033.00	\$ 11,898.00	\$ 1,983.00
Cheerleading			\$ 2,225.60				\$ 2,225.60	\$ 370.93
BA Chili Supper	\$ 1,386.00	\$ 1,674.00	\$ 1,556.75	\$ 1,952.00	\$ 1,762.00	\$ 2,285.00	\$ 10,615.75	\$ 1,769.29
BA Clinic	\$ 570.00	NA					\$ 570.00	\$ 95.00
Cross Country				\$ 2,370.00			\$ 2,370.00	\$ 395.00
SB Clinic	\$ 225.00	\$ 495.00					\$ 720.00	\$ 120.00
SB Bunt A Thon	NA	\$ 1,470.00					\$ 1,470.00	\$ 245.00
Apparel Sold								
Supplies Sold(TR etc.)	\$ 12,246.05	\$ 6,120.85	\$ 6,748.50	\$ 6,906.00	\$ 13,786.00	\$ 12,102.00	\$ 57,909.40	\$ 9,651.57
CCSupplies	\$ 2,805.75	\$ 2,682.50	\$ 380.00	\$ 1,174.00	\$ 1,034.00	\$ 1,293.00	\$ 9,369.25	\$ 1,561.54
Golf Supplies	\$ 795.00	\$ 941.17	\$ 372.58	\$ 308.00	\$ 540.00	\$ 153.00	\$ 3,109.75	\$ 518.29
FB Supplies	\$ 2,503.00	\$ 4,230.00	\$ 1,884.00	\$ 2,395.00	\$ 2,825.00	\$ 1,455.00	\$ 15,292.00	\$ 2,548.67
BBB Supplies	\$ 841.00		\$ 4,435.00	\$ 1,340.00	\$ 1,708.00	\$ 1,397.00	\$ 9,721.00	\$ 1,620.17
GBB Supplies	\$ 26.00		\$ 1,963.50	\$ 1,317.00	\$ 2,349.00	\$ 2,107.00	\$ 7,762.50	\$ 1,293.75
VB Supplies	\$ 2,110.00		\$ 2,522.00	\$ 938.00	\$ 1,666.00	\$ 2,238.00	\$ 9,474.00	\$ 1,579.00
Track Supplies	\$ 1,253.90	\$ 1,904.10	\$ 2,842.40	\$ 4,010.00	\$ 3,036.00	\$ 3,883.00	\$ 16,929.40	\$ 2,821.57
Wrestling Supplies	\$ 1,421.50			\$ 1,357.00			\$ 2,778.50	\$ 463.08
Baseball Supplies	\$ 3,322.00	\$ 6,037.00	\$ 4,962.00	\$ 7,284.00	\$ 4,374.00	\$ 6,363.00	\$ 32,342.00	\$ 5,390.33
Softball Supplies	\$ 1,489.75	\$ 2,569.25	\$ 2,423.50	\$ 2,798.00	\$ 2,641.00		\$ 11,921.50	\$ 1,986.92
Concess/Coke	\$ 1,222.55	\$ 2,296.23	\$ 4,047.25	\$ 6,536.00	\$ 2,419.00	\$ 3,804.00	\$ 20,325.03	\$ 3,387.51
Services	\$ 3,144.00					\$ 4,460.00	\$ 7,604.00	\$ 1,267.33
Donations	\$ 2,116.40	\$ 11,620.00	\$ 2,981.85	\$ 3,100.00	\$ 7,401.00	\$ 4,606.00	\$ 31,825.25	\$ 5,304.21
Ref/Reimb	\$ 19,506.91	\$ 27,889.60	\$ 19,137.61	\$ 22,262.00	\$ 33,142.00	\$ 38,656.00	\$ 160,594.12	\$ 26,765.69
Misc	\$ 72.00	\$ 273.00	\$ 8,096.62	\$ 351.00	\$ 1,457.00	\$ 3,309.00	\$ 13,558.62	\$ 2,259.77
Trans Fund			\$ 4,906.44	\$ 3,000.00	1500		\$ 9,406.44	\$ 1,567.74
Total	\$ 164,519.01	\$ 168,876.41	\$ 161,524.93	\$ 173,374.00	\$ 186,069.00	\$ 249,660.00	\$ 1,104,023.35	\$ 184,003.89
Dues/Fees/Registrations								
Jr High VB			\$ 2,590.00	\$ 2,824.00	\$ 2,245.00	\$ 2,291.00	\$ 9,950.00	\$ 2,487.50
JH Track			\$ 1,562.00	\$ 1,252.00	\$ 1,872.00	\$ 1,398.00	\$ 6,084.00	\$ 1,521.00
JH FB			\$ 3,222.00	\$ 3,625.00	\$ 3,855.00	\$ 2,907.00	\$ 13,609.00	\$ 3,402.25
JH BBB			\$ 3,167.00	\$ 3,667.00	\$ 3,758.00	\$ 4,606.00	\$ 15,198.00	\$ 3,799.50
JH GBB			\$ 1,752.00	\$ 2,109.00	\$ 3,469.00	\$ 2,573.00	\$ 9,903.00	\$ 2,475.75
JH Wrestling			\$ 886.00	\$ 1,146.00	\$ 2,223.00	\$ 2,159.00	\$ 6,414.00	\$ 1,603.50
JH Spec Events			\$ 4,233.63	\$ 3,905.00			\$ 8,138.63	\$ 2,034.66
JH Cheer Fundraiser				\$ 439.00			\$ 439.00	\$ 109.75
Supplies Sold							\$ -	\$ -
JH Track			\$ 868.78	\$ 930.00	\$ 870.00	\$ 646.00	\$ 3,314.78	\$ 828.70
JH CC			\$ 280.00			\$ 310.00	\$ 590.00	\$ 147.50
JH VB			\$ 538.00		\$ 612.00	\$ 615.00	\$ 1,765.00	\$ 441.25
JH Boys BB				\$ 700.00	\$ 92.00		\$ 792.00	\$ 198.00
JH Girls BB				\$ 165.00			\$ 165.00	\$ 41.25
JH Cheer						\$ 126.00	\$ 126.00	\$ 31.50
							\$ -	\$ -
Total with JH added			\$ 181,124.34	\$ 194,136.00	\$ 209,980.00	\$ 269,200.00	\$ 1,187,961.76	\$ 296,990.44

Appendix B: One-year Critical Task Timeline for New Initiatives

One-year Critical Task Timeline for New Initiatives													
Task	June	July	August	September	October	November	December	January	February	March	April	May	
Stakeholder Communication	Annual Athlete Assessment Mgt. with Administration												
		New A.D. Introduction & Plan Introduction School Board										Second semester assessment	
		Coaching Staff Retreat										Second semester update	
	Invite new booster club members	First booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting	booster club meeting		
	Parent Presentation Meeting												
Athlete Philanthropic Strategies													
	Further Annual Fund		Partner Annual Fund (PAFE)-mailing PAF Event Banner										
				PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements	PAF Program & PA Advertisements
Booster Club													
		Introduce fundraising strategy to boost club	Fish-ry										
												Golf Scramble	
Major Gifts Branding Strategies	Identify donor prospects	Print Pitch-Piece			Football Sectional Donor Reception	Ask Booster Club \$1000 each			Basketball Sectional Donor Reception				
	Assessment	Assess graphic standards											
			Develop graphics standards	Solidify Apparel Responsibilities		Launch new Apparel before football post-season							

**Appendix C: Manuscript for American Alliance for Health, Physical Education,
Recreation and Dance.**

**LAUNCHING ALTERNATIVE REVENUE GENERATING PROGRAMS
IN INTERSCHOLASTIC ATHLETICS**

Abstract

Interscholastic athletic directors are facing financial difficulties stemming from cuts in school board funding, rising expenses, and the downturn in the economy. The purpose of this paper is to address how the implementation of a philanthropic approach to fundraising can supplement athletic department budgets. Interscholastic athletic directors will be introduced to the most important reasons why people give money to athletics and how to begin instituting a philanthropy program through generating a statement of purpose, establishing goals, identifying prospects, and asking for a donation. The difference between annual funds and major gifts is also addressed.

Keywords: Interscholastic athletics, fundraising, philanthropy

Public schools in America over the last few decades have created expansive programming aimed to heighten the overall education experience (Meier, 2004). From the classroom to extracurricular activities, a program exists for almost every student. This programmatic – and problematic – growth has placed budgetary pressures on the students, school administrators, and the federal, state and local government. The United States higher education system has used philanthropy as an alternative revenue stream to help face these challenges, and in the process, higher education has transformed dramatically (Frank, 2004). This trend in higher education is in large part because of the heightened philanthropic awareness in United States. Total United States charitable giving in 1967 was \$17.03 billion. By 1997, giving to not-for-profit organizations increased to \$144.6 billion and \$307 billion in 2008 (Nauffts, 2008).

While the budgetary challenges with the U.S. public school system is universally accepted, there are endless theories as to how financial resources should be allocated. Physical education, extracurricular, and athletic programs in particular seem to be experiencing heightened budgetary pressures. These activities have been the target of frozen or reduced budgets because of the state and federal tax cuts for public academic institutions (McFarland, 2002). The financial structures used in public school systems vary greatly around the country. In general terms, seven percent of a school's budget comes from federal funding, and the remainder is generated through local, state, and sales taxes. The average amount of money provided per pupil varies greatly from state to state (Howell & Miller, 1997). An article in *Time* magazine said, "In an era of property-tax caps and budget cutbacks, no child is entitled to much; these days state and local funding

for education is stretched just to cover the basics” (Smolowe, 1995, p. 62). With these increased budgetary pressures, athletic directors and school administrators are challenged to look for alternative sources of revenue to support these programs.

In spite of extracurricular budgets falling short of needed expenses, athletics in America continues to experience increased participation. The National Federation of State High School Association (NFHS, 2009) reported high school athletic participation for the 2008-09 school year set an all-time high of 7,536,753, which marked the twentieth consecutive year increasing participation. The survey revealed that in 2008-09, 55.2 percent of students enrolled in high schools participated in athletics, which was an increase from the 54.8 percent from the 2007-08 academic year.

The increase in athletic participation in the United States, coupled with the budgetary pressures schools are facing, has caused administrators to search for unconventional methods of income. For example, the formal fundraising practices and strategies embraced by most collegiate athletic programs could be transferred to the public school structure to offset the budgetary differences. With the intensified financial crisis in education, around the country, and globally, new approaches must be implemented to ensure these programs are maintained (Bravo, 2004; Howard and Crompton 2004; Reeves, 2006).

Purpose of the Study

The budgetary pressures within high school athletics show no signs of reversing in the future. School administrators are searching for alternative revenue sources to support the athletic programs at their high schools. The following case study explores

philanthropic trends within higher education and how those could be repackaged into tangible plans to counter the financial challenges in interscholastic athletics.

The need for unconventional revenue for high school athletics coupled with the impact of fundraising in the higher education system has created a ripe environment for the adoption of athletic fundraising at public high schools. This study reinforces the belief that interscholastic athletics is at a tipping point with regards to athletic funding, and that fundraising, event promotion, and a rebranding strategy can generate alternative revenue and serve as a solution to the budgetary pressures school administrators are facing. Given that athletic directors have a limited amount of time to allocate to fundraising, a qualitative study was performed to identify the fundraising practices that have the most significant impact.

Review of Literature

The discussion regarding budgetary challenges for high school athletics must begin with background information in order to accurately define the major challenges facing athletic departments. The following provides information on the current financial climate within interscholastic athletics and how fundraising practices used within higher education and not-for-profit organizations can help alleviate some of these pressures.

Current Financial Environment of High School Athletics

School administrators spend a significant percentage of their time budgeting and allocating resources, and justifying their actions. The rising cost of public education in the United States coupled with enrollment growth has placed extreme financial pressures on school's budgets and administrators. The federal, state and local taxing structures

evolve constantly, further adding to the challenges administrators face in developing relevant financial plans (Burrup, Brimley & Garfield, 1999). Bravo (2004) stated:

The incidence of demographic change, inflation and taxation has directly affected state funding of public education. Demographic changes have created more needs, inflation has decreased the actual dollar value and new tax legislation has established limits on tax burden. In turn, these forces have affected the funding for interscholastic athletics as well with scarcity of public monies arise, school administrators need to fund primarily the programs mandated by the State Board of Education. (p. 25)

The Value of Athletics

Given the current financial climate in public schools, inevitably the amount of athletic funding schools allocate towards these programs are questioned. For years extracurricular activities have been highly valued as part of the overall educational system (Hoch, 1998). A recent study attempted to challenge the idea that athletics enhance the educational experience provided by public schools. This study looked at 1,924 Texas public schools and found that “Athletics can influence student performance on basic skill exams,” yet found “a strong negative relationship exists between athletic budgets and student performance on SAT and ACT exams” (Eller, Marchbanks, Meier, Polinard, Robinson, & Wrinkle, 2004). These two findings contradict each other and do not support the divergent goals theory which states that if two opposing goals are pursued simultaneously, they will have a negative impact on each other. If Eller et al. (2004) was able to show that athletics do not have a significant impact on student athletics, extracurricular activities as a whole could be in jeopardy in the public schools.

As it stands, there is still strong support of extracurricular programming and the impact it has on education. Rader (1999) noted, “high school sports helped to give an identity and common purpose to many neighborhoods, towns, and cities which were

otherwise divided by class, race, ethnicity, or religion” (p. 111). This community support is one of the primary factors for the rise in athletic competitions and participation (Covell, 1998).

Funding Structure

The debate over athletic funding in public schools systems and how multiple competing institutional goals can hamper an organization’s ability to fulfill its primary mission of educating students, may never end. Gee (2005) suggested:

Integrating the athletic budget into a university’s (or high school’s) budget keeps the priorities of athletics in alignment with a university’s other strategic priorities. Athletics revenue cannot outrun academics in primacy when it is collected under the same rubric as academic and overseen by the same eyes that oversee academics and student life. In athletics, as in all things, the further one moves from the core and the heart, the more dispersed the original focus become. Pulling athletics into the university’s heart makes aligning athletics with a university’s greater mission is much easier (p.13).

Gee surmises, this same principle should be applied to the public school system.

The reality for most high school athletic directors is that athletic budgets no longer cover the cost of running the established programs. Passing the additional cost along to the student-athletes is an emerging trend used to counter budgetary constraints in high schools (Brown, 2002). However, it is a practice that has met great resistance (Smith, 2001). According to Pete Bryden, associate director for *ESPN The Magazine* Coaches Fundraising Program, “Fees now account for an average of 20% percent of athletic budgets. The sad reality is that many athletic departments are not able to make ends meet and ‘pay-to-play’ has become a necessary evil” (Newell, 2005, p.5). Bryden goes on to explain, “A lot of schools have gone the route of allowing the fundraising part to go to a

booster club vs. the sports team, the athletic director, or the individual coach. It just depends on how it is coordinated within the school” (Newell, 2005, p. 3). However, car washes and bake sales conducted by each team may no longer meet the financial needs of high school athletic departments. Instead, a comprehensive, integrated, philanthropic campaign can more effectively meet the needs of athletic administrators.

With the demand for additional revenue increasing, administrators are feeling the effects of these pressures. Each school system has its own philosophy on the role of athletics in education. These athletic philosophies are conceived by school board members, administrators, and local community. The budgetary pressures have the potential to influence the philosophy and organizational structure of athletic and educational programs. Educational institutions across the country are reviewing their athletic organizational structure to ensure it aligns with the broader institutional organizational philosophy. Athletic budgets and programs for years have been allowed to act independently from the school’s core function of education (Eller et al., 2004). Colleges and universities are beginning to reintegrate their athletic budgets into the broader school budgets (Donovan, 2008). This has allowed schools to better protect their core purpose of educating students, rather than competing for a higher market share or sponsorship dollars. This emerging trend in higher education has begun to trickle down to high schools as administrators have identified the impact this structure can have on the educational experience.

Philanthropic Trends in Higher Education

From assessment to teaching methods, higher education has served as the testing ground for many educational principles and practices that have then been implemented in

the public school. The same parallel exist between higher education and public schools in regards to philanthropic practices because they are both being forced to wrestle with two philosophical questions: 1) How much should be invested in the pursuit of successful athletic programs, and 2) how individual sports are prioritized and supported (Meier et al., 2004).

Smaller colleges and high schools operate under a much different structure, and therefore philanthropic practices must be altered to fit appropriately. In less commercialized settings, success is normally evaluated in terms of indirect value rather than television or ticket sales revenue. The indirect values of a successful program can be found in positive fundraising implications as well as admissions implications (Frank, 2004). A successful program has great impact on the attractiveness of a school and serves as the front porch.

Over the last twenty years athletic fundraising has experienced tremendous growth. (Tsotsou, 2006). Tsotsou (2006) found that “Athletic fundraising presents the greatest percentage increase in universities the last few decades” (p. 210). Heightened athletic budgets are evidence of a stronger commitment to athletics within higher education. But with this growth and increase with charitable giving, comes a need for more complex strategies and gifts (Gladden & Mahoney, 2005). It is important to note that while some of the big-time universities may be raising staggering amounts of money, only two percent of a donor base gives a majority of the athletic funds. Of that two percent donor base, most of the donors are not alumni, but rather fans of the athletic program (Stinson, 2004). When comparing athletic fundraising to the broader philanthropic industry in the

United States, athletic fundraising, even within higher education, is still rudimentary at most institutions.

Howard and Crompton (2004) found “the motives underlying donations are more altruistic than commercial” (p. 574). However, two recent studies have identified tax deductions, priority seating, professional contacts, membership plaques, decals and hospitality rooms, to be additional motivating factors in supporting athletics (Donovan, 2008, Tsotsou, 2006). One of the most comprehensive athletic donor motivation studies in this field used prior research to assess why their donors give money and in the process help fundraisers better understand their constituency (Gladden & Mahoney, 2005).

The four primary motivations for athletic donors are philanthropic, social, program success, and personal benefits (Billing, Holt, and Smith 1985). Staurowsky (1996) further explored this topic and found curiosity and power to be additional motivating factors for donor’s giving. These two studies provided significant research for the industry in identifying what motivates athletic donors. However, these studies fell short in identifying the *importance* of these different motivating factors. Verner, Hecht & Fansler (1998) assessed these core motivating factors and developed a method of quantifying the importance of these factors. The following six donor motivations, if accurately identified and appropriately leveraged, will result in more gifts, more fulfilled donors, a constituency better primed for future gifts.

Access to inside information. Giving which gives donors access to information not given to non-donors (Verner, Hecht & Fansler, 1998). For example, a parent gives significant money to the athletic department in hopes of being asked onto the booster club, and in turn, gains access to inside information.

Affiliation. Giving because it allows someone to interact and socialize with others as means of belonging (Milne & McDonald, 1999). Some donors give to specific organizations if they will be associated with various causes or people groups.

Altruist. Doing what feels right. Prince and File (1994) discuss the idea that giving is a moral necessity, and is a responsibility duty or obligation. People's personal value systems drive where, when and what causes they give to. For some, this instills a sense of responsibility and causes them to become involved financially.

Helping student-athletes. Some donors, highly value interscholastic athletics and feel called to help support student-athletes through providing scholarships opportunities. This type of giving typically has student-athletes' education and well being at the center of their giving (Verner, Hecht & Fansler, 1998).

Public recognition. Giving which expects a public response from the organization or program who received the gift. Most donors state they do not need public recognition, but internally are flattered if recognition is given (Verner, Hecht & Fansler, 1998).

Support and improvement of athletic program. Unrestricted giving which helps advance the athletic program, including recruiting capital projects, equipment and specific coaches and programs needs (Gladden & Mahoney, 2005). These donors give to improve the athletic program as a whole, rather than what they want to do.

Understanding donor motivations and realizing that each person in a donor constituency has their own unique motivations that need to be factored into the relationship.

Applicable Fundraising Concepts and Models

Due to the direct and indirect value of a successful athletic program, it is clear why most higher education institutions are pouring resources into these extracurricular activities. The challenge is these intuitions do not have unlimited resources. For this reason schools are partnering with alumni and friends to up underwrite the cost of the athletic programs.

Philanthropy is part science and part philosophy. The scientific part involves statistical analysis, examination of industry trends, and prospect research. The philosophical side includes the development of relationships, and understanding donors' motivations and other theories of human behavior. It is the application of these concepts and models that have legitimized athletic specific fundraising over the last few years (Donovan, 2008).

In the world of philanthropy, the terms development and fundraising are sometimes confused. Development is the time spent strategizing, maintaining your organizational plan, and aligning fundraising goals to meet the need of an institution. Fundraising, on the other hand, is cultivating, soliciting, and stewarding donors and prospects. Development and fundraising are not independent of each other but rather go hand in hand. Depending on the size of unit, employees will take on multiple responsibilities, often filling both development and fundraising responsibilities (Donovan, 2008). The following are fundamentals of any philanthropic endeavors, aimed to provide athletic administrators with the tools to maximize your fundraising results and in turn provide more funds for programming.

Statement of purpose. Just as a mission statement is foundational for any successful business, so is the *statement of purpose* for a fundraising program. A statement of purpose clearly articulates the need, the impact that a gift will have, and why a donor should be involved (Donovan, 2008 p.14). In practical terms, this means a fundraiser needs to ask for the right gift, for the right program, at the right time, in the right way

A statement of purpose serves as a catalyst for fundraising initiatives and should align with the school's strategic plan as well as overall mission (O'Brien, 2005). The following stakeholders should be involved in the development of the case: administrators, athletic directors, booster club members, and coaches. Organizational buy-in is paramount if donors are to embrace the case. A failure to include key stakeholders with the development of the statement of purpose will result in frustration from both donors and employees (Gee, 2005).

Establishing goals. Overall fundraising goals need to be well defined prior to the start of any project. The goal typically includes the dollar amount as well as a timeframe of when the funding should be completed. Without these defined benchmarks donors will not rally behind the cause (Gee, 2005). In addition to overall fundraising goals, individual goals should be established for each person who has fundraising responsibilities. Clear expectations need to be laid out for those responsible for funding and for how much they are responsible. This accountability will serve as a great motivator and ensure that the fundraising ball is not dropped amongst the other responsibilities (Aschbrook, 2008).

Prospects. In fundraising, information equals more money. Prospect research is the process of capturing information that help: 1) assess giving capacity, 2) assess affinity

or inclination. This information can be acquired through electronic screenings, peer screenings, past giving, and level of involvement. The ideal prospect should have high giving capacity and a high affinity with an organization or institution (Tsotsou, 2007). Two decades ago Jerold Panas discovered that approximately twenty percent of the donors give eighty percent of the funds. Since his original study he has proven that one percent of Harvard University donors give ninety percent of the funds (Panas, 2005). These donors have high capacity and affinity. The prospect research process should reveal who are the best prospects and on whom the fundraisers need to focus (Donovan, 2008).

Fundraising Philosophies. Asking for money is uncomfortable to most people. But for those who are in the industry and understand donor's motivations, it is much more than just asking for money, it's about relationships. Cultivating and maintaining relationships as well as creating a bond between a donor and an organization are key (Maehara, 2002). Donors give to people and vision, not to a need. The more a fundraiser can build genuine relationships with donors and between an organization, the more inclined donors will be to support a cause. According to Matheny and Stearman (1999), "People give to people, not to organizations, not to institutions, not to positions. People give to a vision rather than a financial need, you must have a clear purpose statement" (p. 12).

Core Programs

The demand for effective revenue development is growing rapidly and in turn there is a heightening the need for formalized fundraising strategies for interscholastic

athletics. These strategies must be both effective in generating revenue and feasible to implement. Athletic directors and school administrators are limited by the amount of time they can allocate to fundraising, the following two strategies are suggested to maximize results while minimizing the time required to implement.

Strategy 1: Annual funds. Annual funds are the foundation of any successful fundraising program (Howard & Crompton, 2004). While these programs do not raise large sums of money, they are crucial for several reasons. First, annual funds generate needed gift income to help offset the operational costs. Secondly, the annual fund, more than any other development program, introduces people to giving and helps develop the habit of philanthropy (Aschebrook, 2008). Although there are exceptions, a donor's first give to an institution is generally to the annual fund. Thirdly, the annual fund helps build a relationship between the donor and the organization which deepens donor commitment and involvement. Lastly, the annual fund prepares donors for a major gift. As Donovan states, "The best prospect for a big gift is one who has given before, there may be no better means for identifying potential major gift donors than careful analysis of past annual giving results" (Donovan, 1996, p. 24).

Strategy 2: Major Gifts. Knowing that most of the money is given by a few people, Mathney & Stearman (1999) suggested that not all donors are created equal and should not be treated as such. For this reason, engaging major gift solicitations is one of the interesting and challenging aspects of development work. Donovan (2008) says it generally takes ten to twelve personal visits over a twelve to eighteen month period before a donor is ready to make a major gift. Knowing that major gifts take a significant amount of time to develop, it is vital that the best prospects are identified.

The fundraising concepts and models discussed provided a basic working knowledge of philanthropy for an athletic director. While there is no shortage of other responsibilities an athletic director must oversee, fundraising *strategically* can help generate additional revenue with minimal time or resources.

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